



**CITY OF LODI
COUNCIL COMMUNICATION**

AGENDA TITLE: Adopt resolution authorizing the City Manager to amend the existing Lodi Solar Rooftops Pilot Project (EUD)

MEETING DATE: August 17, 2005

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: Adopt a resolution authorizing the City Manager to amend the existing Lodi Solar Rooftops Pilot Project.

BACKGROUND INFORMATION: In April of this year, the City Council approved the Lodi Solar Rooftops Pilot Project. The current program provides rebates or grants of up to \$5,100 to Lodi electric utility customers who install a photovoltaic (solar) system on their rooftop or property. The existing rebate formula or criteria is as follows:

- \$1,700 per kW of installed photovoltaic/solar panels and system, with a maximum 3kW system eligible for rebate (\$1,700 'x' 3kW = \$5,100 maximum rebate).

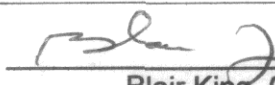
Electric Utility staff is proposing to *increase* the rebate amount to \$3,400 per kW of installed solar, with a maximum rebate amount allowable of \$6,800 (\$3,400 'x' 2kW = \$6,800).

With essentially 3.5 months of the existing program "under our belts," it has been determined that the current rebate amount of \$1,700 is not incentive enough for customers to pursue installing a solar system at their property. This conclusion has been reached following numerous conversations with Lodi electric utility customers (those customers who are seriously considering solar as an option at their home or business), with fellow electric service providers throughout northern California that have similar rebate programs (such as the City of Redding, City of Palo Alto, Sacramento Municipal Utility District, and others), and with solar installation professionals from around the Lodi, Modesto and Sacramento area.

After careful consideration and discussion, Electric Utility staff is now respectfully requesting, and recommending, that the current Lodi Solar Rooftops Pilot Project be amended to increase the rebate amount per kW of installed solar from \$1,700 to \$3,400 per kW. Also, by way of this Council action, the total amount of the installed photovoltaic system will decrease from 3kW to 2kW (we have found over the past few months of fine-tuning this program, that a majority of the homes in Lodi have appropriate roof space to accommodate a 2kW- or less- photovoltaic system; hence the proposed "cap" of 2kW).

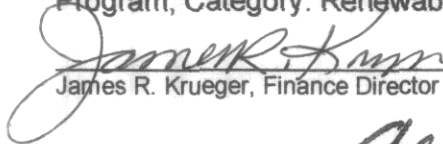
FISCAL IMPACT: The budget for this pilot project, approved by the Lodi City Council in April, is \$51,000. As of this time, no rebates for solar projects have been awarded to Lodi customers. If customers do pursue the installation of a photovoltaic project at their

APPROVED:


Blair King, City Manager

home, and they install the maximum 2kW system; the pilot project could accommodate 7.5 photovoltaic projects. The pilot project is funded through the City of Lodi Public Benefits Program, under the category of Renewable Energy Resources and Technologies. The total fiscal impact (revenue loss) to the City of Lodi as a result of these potential installed solar projects will be assessed once the projects are installed and fully operational for a twelve-month period.

FUNDING AVAILABLE: As approved in the 2005-2006 fiscal year budget – 164608 (Public Benefits Program; Category: Renewable Energy Resource & Technologies)


James R. Krueger, Finance Director


Alan N. Vallow
Electric Utility Director

Prepared By: Rob Lechner, Manager, Customer Services and Programs

ANV/RL/lt

c: City Attorney

RESOLUTION NO. 2005-172

A RESOLUTION OF THE LODI CITY COUNCIL
AUTHORIZING THE CITY MANAGER TO AMEND THE
EXISTING LODI SOLAR ROOFTOPS PILOT PROJECT

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NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council hereby authorizes the City Manager to amend the Lodi Solar Rooftops Pilot Project to increase the rebate amount per kW of installed solar from \$1,700 to \$3,400 per kW; and

BE IT FURTHER RESOLVED that the City Council further approves decreasing the total amount of the installed photovoltaic system from 3kW to 2kW.

Dated: August 17, 2005

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I hereby certify that Resolution No. 2005-172 was passed and adopted by the Lodi City Council in a regular meeting held August 17, 2005, by the following vote:

AYES: COUNCIL MEMBERS – Hansen, Hitchcock, Mounce, and
Mayor Beckman

NOES: COUNCIL MEMBERS – Johnson

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None



SUSAN J. BLACKSTON
City Clerk